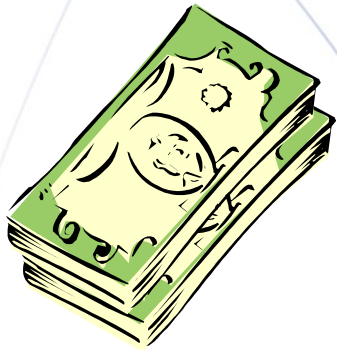


# **MACC CONFERENCE GENERAL PRE-CON**

## **INVOICING AND PROJECT CLOSEOUT**

**MAXIMIZING CASH FLOW  
MINIMIZING FINANCING  
RETIRING ACCOUNTS  
RECEIVABLE**



***August 31, 2004***

# PARTNERING FOR COMMON INTERESTS



## • GOVERNMENT'S INTERESTS

- MINIMIZE CONTRACT COSTS
  - LOWERS COST PER UNIT
- TIMELY EXPENDITURES
  - IMPROVES CASH MANAGEMENT
- REDUCE OUTSTANDING LIABILITIES
  - REDUCE ADMINISTRATIVE COSTS

## • CONTRACTOR'S INTERESTS

- MINIMIZE FINANCING COSTS
  - MINIMIZES DEBT RATIO
- MAXIMIZE CASH FLOW
  - IMPROVES CURRENT RATIO/LIQUIDITY
- RETIRE ACCOUNTS RECEIVABLE
  - MINIMIZE OVERHEAD COSTS

- NAVFAC GOAL - CERTIFY ALL PROPER INVOICES WITHIN 5 CALENDAR DAYS OF RECEIPT
- PRE-VALIDATION BETWEEN THE ET AND PM IN THE FIELD (ROICC NDW)
- SUBMIT INVOICES MONTHLY - PREFERABLY ON MONDAYS (ROICC NDW)
- MAY BE VARIABILITY BETWEEN ROICCS - LOCAL PROTOCOLS

# CONTRACT INVOICING



## •PREPARATION FOR INVOICING

- FAMILIARIZE YOURSELVES WITH RULES FOR PAYMENT
- UNDERSTAND CONTRACT REQUIREMENTS THAT AFFECT YOUR ELIGIBILITY FOR PAYMENT
- APPROVED SCHEDULE OF PRICES

## •MOST COMMON CONTRACT CLAUSES

- FAR 52.232-5 PAYMENTS UNDER FIXED-PRICE CONSTRUCTION CONTRACTS (SEPT 2002)
- FAR 52.232-27 PROMPT PAYMENT FOR CONSTRUCTION CONTRACTS (FEB 2002)
- FAR 52.222-8 PAYROLLS AND BASIC RECORDS (FEB 1988)

## •NON-COMPLIANCE THAT MAY AFFECT PAYMENT

- DAVIS-BACON ACT WAGES AND FRINGE-BENEFITS
- PAYROLL SUBMISSIONS (PRIME AND SUBS)
- STATEMENT AND ACKNOWLEDGEMENT OF CONTRACT CLAUSES
- LABOR VIOLATIONS
- FAILURE TO MAINTAIN PROGRESS
- DAMAGE TO GOVERNMENT PROPERTY
- FAILING TO MAKE SB GOALS
- FAILURE TO COMPLETE ON TIME

# CONTRACT INVOICING



## • FORMS

- SCHEDULE OF PRICES - NAVFAC 4330/4
- CONTRACTOR'S INVOICE - NAVFAC 7300/30
- CONTRACT PERFORMANCE STATEMENT - NAVFAC 7300/31
- STATEMENT AND ACKNOWLEDGEMENT - STANDARD FORM 1413
- INVOICE CERTIFICATION - PAYMENT TO SUBS AND SUPPLIERS
- CONTRACTOR'S RELEASE - NAVFAC 4330/7 (MUST W/FINAL INVOICE)

## • SUBMITTALS

- UPDATED SCHEDULE
- SUBMITTAL REGISTER
- PAYROLLS (PRIME AND ALL SUBS)
- OTHER TECHNICAL OR ADMINISTRATIVE SUBMITTALS

# GOVERNMENT'S FIDUCIARY RESPONSIBILITIES



- **PAY DOLLARS RIGHTFULLY EARNED BY CONTRACT PERFORMANCE**
  - **ESTIMATED FOR PROGRESS PAYMENTS**
  - **PAY CONTRACTOR FAIR VALUE, BUT.....**
- **PROTECT INTERESTS OF ASSIGNEES AND BONDING AGENTS**
- **PROTECT THE INTERESTS OF SUBS AND SUPPLIERS**
- **PROTECT THE INTERESTS OF TRADESMEN AND CRAFTSMEN**
- **PROTECT THE INTERESTS OF THE GOVERNMENT**
  - **CLIENT PAYING FOR THE SERVICE**
  - **STEWARDS OF THE TAXPAYERS' MONEY**

# CONTRACT/PROJECT CLOSEOUT



## • FINAL PERFORMANCE MEASURES

- COMMISSIONING OF ALL BUILDING SYSTEMS
- COMPLETE FINAL PUNCHLIST ITEMS
- PROVIDE ALL REQUIRED TRAINING
- REMOVAL OF ALL FACILITIES, EQUIPMENT
- RESTORATION OF SITE
- JOBSITE CLEANUP

## • FINAL ADMINISTRATIVE TESTS

- AS-BUILTS
- O&M MANUALS
- ATTIC STOCK/SPARE PARTS
- NO PENDING CHANGES
- FINAL INVOICE
  - CONTRACTOR'S RELEASE
  - NO FINAL PAY UNTIL SEASON II COMMISSIONING COMPLETE

# INVOICING AND CLOSEOUT



## •ANSWERS:

- 1-
- 2-
- 3-
- 4-
- 5-
- 6-
- 7-

